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ANACONDA COPPER MINING COMPANY

TO

GUARANTY TRUST COMPANY OF NEW YORK,
as Trustee


Trust Agreement

Dated January 2, 1919

To Secure an Authorized Issue of \$50,000,000
Ten-Year Secured Gold Bonds

Principal due January 1, 1929

Interest Payable July 1 and January 1



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Agreement, dated January 2, 1919, between the ANACONDA COPPER MINING COMPANY, a corporation organized and existing under the Laws of the State of Montana (hereinafter called the "Company"), party of the first part, and the GUARANTY TRUST COMPANY OF NEW YORK, a corporation organized and existing under the Laws of the State of New York (hereinafter called the "Trustee"), party of the second part.

WHEREAS, the Company desires to provide funds for its corporate purposes, and, to that end, has duly determined to issue its Ten-Year Secured Gold Bonds (hereinafter referred to as the "Bonds"), of an aggregate principal amount not to exceed Fifty Million Dollars, to be dated January 1, 1919, to mature on January 1, 1929, to be issued in series, from time to time, to be secured by the pledge of the property hereinafter described, to bear interest payable semi-annually on July 1 and January 1 in each year, at such rate as to each particular series as may be determined by the Company at the time of authorizing the issue thereof, the Bonds of each series to be signed in the name of the Company by its President or Vice President, impressed with its corporate seal, attested by its Secretary or Assistant Secretary, to be authenticated by the certificate of the Trustee indorsed thereon, and, except as otherwise specifically provided as to some or all of the Bonds of any particular series, to have interest coupons attached, executed with the facsimile signature of its Treasurer, which Bonds, interest coupons and Trustee's certificate are to be substantially in the following forms, respectively, with such modifications thereof and additions thereto, as to any particular series, as may be appropriate or necessary by reason of the terms under which the Bonds of such series are issued :

[FORM OF BOND.]

Series
No.
\$Series
No.
\$

UNITED STATES OF AMERICA

STATE OF MONTANA

ANACONDA COPPER MINING COMPANY

TEN-YEAR SECURED GOLD BOND

PER CENT.

The ANACONDA COPPER MINING COMPANY (herein after called the "Company"), for value received, promises to pay to Bearer or, if this Bond be registered, to the registered holder hereof, on January 1, 1929,

Dollars in gold coin of the United States of America of or equal to the present standard of weight and fineness, and to pay interest thereon from the date hereof, in like gold coin, at the rate of per cent. per annum, semi-annually on July 1 and January 1 in each year. Until the maturity of this Bond, such interest shall be paid only upon presentation and surrender of the attached interest coupons as they severally mature.

Both principal and interest of this Bond are payable at

This Bond is one of a duly authorized issue of Bonds of the Company known as its Ten-Year Secured Gold Bonds, not to exceed the aggregate principal amount of \$50,000,000 at any one time outstanding, all issued and to be issued in series, from time to time, under, and all equally secured by, a certain Trust Agreement, dated January 2, 1919, executed by the Company to the Guaranty Trust Company of New York, as Trustee, to which

Trust Agreement reference is hereby made for a description of the security, the terms under which the said Bonds are issued and the rights and obligations of the Company and of the Trustee and of the respective holders of the said Bonds with respect to such security.

In the event of default by the Company as defined in the said Trust Agreement, the principal of all the Bonds issued and outstanding under the said Trust Agreement may be declared, or may become, due and payable before maturity in the manner and with the effect therein provided.

This Bond shall pass by delivery until registered as to principal in the owner's name on books kept for that purpose at the office of the Trustee, such registration being noted hereon. After such registration, no further transfer hereof shall be valid unless made on the said books by the registered holder in person or by duly authorized attorney and similarly noted hereon; but this Bond may be discharged from registry by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored. This Bond shall continue to be subject to successive registrations and transfers to bearer, at the option of the holder. No registration, however, shall affect the negotiability of the attached interest coupons, which shall continue to be payable to bearer and transferable by delivery merely.

No recourse shall be had for the payment of any part of either principal or interest of this Bond or for any claim based hereon or thereon, or otherwise in any manner in respect hereof or in respect of the said Trust Agreement, to or against any stockholder, officer or director, past, present or future, of the Company, by virtue of any statute or by the enforcement of any assessment or penalty, or in any manner.

This Bond shall not become obligatory or valid for any purpose until the certificate indorsed hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Company has caused this Bond to be executed in its corporate name by its President or Vice-President and impressed with its corporate seal, attested by its Secretary or Assistant Secretary, and the attached interest coupons be executed with the facsimile signature of its Treasurer, as of January 1, 1919.

ANACONDA COPPER MINING COMPANY,
By
President.

Attest:

Secretary.

[FORM OF INTEREST COUPON.]

No.

\$

On , 19 , the ANACONDA
COPPER MINING COMPANY will pay to Bearer at
, Dollars in gold coin of
the United States of America, being six months' interest
then due on its Ten-Year Secured Gold Bond, Series
....., No.

Treasurer.

[FORM OF TRUSTEE'S CERTIFICATE.]

This is one of the Bonds, of the series designated therein, described in the within mentioned Trust Agreement.

GUARANTY TRUST COMPANY OF NEW YORK,
as Trustee,

By

AND WHEREAS all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Agreement provided, valid, binding and legal obligations of the Company, and to constitute this Agreement a valid instrument for the security thereof, have been done and performed, and the execution and delivery of this Agreement and the execution of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THIS AGREEMENT WITNESSETH: That, in consideration of the premises and of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, and of the sum of One Dollar to the Company duly paid by the Trustee, the receipt whereof is hereby acknowledged, and to secure the payment of the principal and interest of all the Bonds at any time issued and outstanding hereunder, according to their tenor and effect, and to secure the faithful observance and performance of all the covenants and conditions herein contained, the Company has assigned, conveyed, pledged, transferred and set over, and, by these presents, does assign, convey, pledge, transfer and set over unto the Trustee, its successors and assigns forever, ALL AND SINGULAR the following described shares of corporate stock now owned by the Company (which, together with any other stock, bonds or other securities which may at any time be held by the Trustee hereunder, are hereinafter sometimes referred to, collectively, as the "Trust Property") :

119,993 shares of the capital stock of the International Smelting Company, a corporation organized and existing under the laws of the State of Montana, of the par value of \$100 each, being the entire issued and outstanding capital stock of the said corporation, except directors' qualifying shares;

3,195 shares of the capital stock of the Tooele Valley Railway Company, a corporation organized and existing under the laws of the State of Utah, of the par value of \$100 each, being the entire issued and outstanding capital stock of the said corporation, except directors' qualifying shares;

7,485 shares of the capital stock of the International Lead Refining Company, a corporation organized and existing under the laws of the State of Indiana, of the par value of \$100 each, being the entire authorized, issued and outstanding capital stock of the said corporation, except directors' qualifying shares;

20,000 shares of the preferred capital stock of the Raritan Copper Works, a corporation organized and existing under the laws of the State of New Jersey, of the par value of \$25 each, being the entire authorized, issued and outstanding preferred capital stock of the said corporation, and 39,993 shares of the common capital stock of the said Raritan Copper Works, of the par value of \$25 each, being the entire authorized, issued and outstanding common capital stock of the said corporation, except directors' qualifying shares;

150,000 shares of the capital stock of the Diamond Coal and Coke Company, a corporation organized and existing under the laws of the State of Utah, of the par value of \$10 each, being the entire authorized, issued and outstanding capital stock of the said corporation;

707,192.9096 shares of the capital stock of the Andes Copper Mining Company, a corporation organized and existing under the laws of the State of Delaware, of the par value of \$25 each, out of 1,228,862.9096 shares of the capital stock thereof issued and outstanding;

150,000 shares of the capital stock of the Andes Exploration Company, a corporation organized and existing under the laws of the State of Delaware, of the par value of \$10 each, being the entire authorized, issued and outstanding capital stock of the said corporation;

222,494 shares of the capital stock of the Andes Exploration Co., a corporation organized and existing under the laws of the State of Maine, of the par value of \$10 each, being the entire issued and outstanding capital stock of the said corporation, except directors' qualifying shares;

256,370 shares of the capital stock of the Santiago Mining Company, a corporation organized and existing under the laws of the State of Delaware, of the par value of \$25 each, out of 266,505 shares of the capital stock thereof issued and outstanding, and

10,000 shares of the capital stock of the Potrerillos Railway Company, a corporation organized and existing under the laws of the State of Delaware, of the par value of \$100 each, being the entire authorized, issued and outstanding capital stock of the said corporation;

IN TRUST, nevertheless, upon the terms and conditions herein set forth, for those who shall hold the Bonds and the interest coupons pertaining thereto, without preference of any of the Bonds over any of the others by reason of the series thereof or of priority in the time of issue, sale or negotiation thereof, or otherwise for any cause whatever;

PROVIDED, HOWEVER, and these presents are upon the express condition, that, if the Company, its successors or assigns, shall well and truly pay or cause to be paid the principal of the said Bonds and the interest due or to become due thereon, at the times and in the manner mentioned in the Bonds and the interest coupons pertaining thereto, respectively, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions in this Agreement expressed to be kept, performed and observed by it, and shall pay to the Trustee all sums

of money due or to become due to it in accordance with the terms and provisions hereof, then this Agreement and the rights hereby granted shall cease, determine and be void, and the Trustee, in such case, on written demand of the Company, shall cancel and satisfy this Agreement and shall deliver to or upon written order of the Company the Trust Property then in its possession; otherwise to be and remain in full force and effect.

AND IT IS HEREBY COVENANTED AND AGREED, that the Bonds are to be issued, authenticated and delivered, and the Trust Property is to be held by the Trustee, subject to the following covenants, conditions, uses and trusts:

ARTICLE FIRST.

AMOUNT, FORM, EXECUTION, ISSUE AND REGISTRATION OF BONDS.

SECTION 1. The Bonds to be issued hereunder shall be known as the Company's "Ten-Year Secured Gold Bonds." The aggregate principal amount of all the Bonds which may be issued under this Agreement shall never at any one time exceed the sum of Fifty Million Dollars (\$50,000,000).

SECTION 2. The Bonds shall be issued in series, from time to time, in such amounts and upon such terms as the Company shall determine at the time of authorizing the issue thereof. The Bonds of each series shall be designated by one or more distinguishing letters of the English alphabet; shall be substantially in the form hereinbefore recited, with such modifications thereof and additions thereto as may be appropriate or necessary by reason of the terms under which they are issued; shall be dated January 1, 1919; shall mature on January 1, 1929, and shall be payable at such place or places, and

bear interest at such rate, payable semi-annually on July 1 and January 1 in each year, as shall be determined by the Company at the time of the authorization of the issue thereof.

At the time of authorizing any series of Bonds, the Company may direct that the Bonds of such series shall be issued in the denominations of \$100, \$500, \$1,000 and/or any multiple of \$1,000, and either as coupon Bonds or as registered Bonds without coupons, and it may also stipulate and agree, if it shall be lawful so to do, that the principal and interest of such Bonds shall be payable without deduction for any taxes, assessments or other governmental charges which the Company, or its paying agents, may be required or authorized to pay thereon, or to retain or deduct therefrom, under any present or future law, except as may be otherwise provided in the said stipulation or agreement. The Bonds of any series may also contain such provisions as to the exchange of Bonds of one denomination for Bonds of another denomination of the same series, or as to the exchange of coupon Bonds for registered Bonds without coupons or of registered Bonds without coupons for coupon Bonds, or as to the redemption of Bonds, or as to the conversion of Bonds into the capital stock of the Company, as the Company, with the approval of the Trustee, may determine at the time of authorizing such Bonds.

Bonds of any one series shall be identical, except in the respect that they may be of different denominations and in coupon or registered form, and except also, that, as between Bonds of different denominations and as between coupon Bonds and registered Bonds without coupons, there may be such appropriate differences, authorized or permitted by this Agreement, as may be determined by the Company and approved by the Trustee at or before the creation of such series.

SECTION 3. The Bonds shall be signed on behalf of the Company by its President or Vice-President, and impressed with its corporate seal, attested by its Secretary or Assistant Secretary. Bonds so executed may, from time to time, be delivered to the Trustee for authentication, and the Trustee shall authenticate and deliver the same in accordance with the provisions of Section 5 of this Article First, and not otherwise.

In case any of the officers of the Company who shall have signed or sealed any of the Bonds shall cease to be such officers before the Bonds so signed or sealed shall have been actually authenticated or issued, such Bonds may, nevertheless, be adopted by the Company, and upon the written request of the Company, signed as aforesaid, shall be authenticated by the Trustee and may be issued by the Company, as though the persons who had signed or sealed such Bonds had not ceased to be such officers.

SECTION 4. The interest coupons to be attached to the Bonds shall be substantially in the form hereinbefore recited, with such modifications thereof and additions thereto as may be necessary or appropriate by reason of the terms under which the respective Bonds are issued, and shall be executed with the facsimile signature of the present or any future Treasurer of the Company; and the Company may adopt and use for that purpose the facsimile signature of such Treasurer, notwithstanding the fact that he may have ceased to be such Treasurer at the time when such Bonds shall be actually authenticated or issued.

SECTION 5. Whenever the Company shall desire the authentication and delivery of any series of Bonds hereunder, the Company shall deliver to the Trustee (1) a copy of a Resolution or Resolutions of its Board of

Directors, certified by its Secretary or Assistant Secretary under its corporate seal, authorizing the execution and issue of a specified aggregate principal amount of such Bonds and describing the terms thereof (which shall be of a character authorized by this Agreement and not inconsistent herewith), and requesting the Trustee to authenticate the same, and, except in the case of the \$25,000,000, aggregate principal amount, of the Bonds of Series A, the issue of which is hereinafter in Section 6 of this Article specifically provided for, (2) a certificate signed by the President or Vice-President of the Company and its Treasurer or Auditor, certifying that the earned surplus of the Company, calculated in the manner hereinafter in Section 12 of Article Third hereof provided (including so much thereof as may have been capitalized by the declaration and payment after January 1, 1919, of stock dividends), is at least equal to the aggregate principal amount of Bonds then outstanding and then to be issued; and, upon the delivery by the Company to the Trustee of Bonds of such series, executed as in this Agreement provided and in accordance with the terms of such Resolution or Resolutions and in the amounts therein specified, and upon the execution and delivery, in accordance with the provisions of Article Second hereof, of such supplemental agreement or indenture (if any) as the Company and the Trustee may deem necessary or desirable with respect to such series, the Trustee shall authenticate and deliver the said Bonds to or upon the written order of the Company, signed by its President or Vice-President and its Secretary or Assistant Secretary.

SECTION 6. Twenty-five Million Dollars (\$25,000,000), aggregate principal amount, of Bonds of Series A, shall forthwith be executed by the Company and authenticated

and delivered by the Trustee in accordance with the terms hereof. Bonds of Series A shall be coupon Bonds of the denomination of \$1,000 each, registrable as to principal only, bearing interest at the rate of six per cent. per annum; and both principal and interest of such Bonds shall be payable at The National City Bank of New York, or, at the option of the holder, at the principal office of the Trustee, in the Borough of Manhattan, City and State of New York, without deduction for any taxes, assessments or other governmental charges which the Company, the said Bank or the Trustee may be required or authorized to pay thereon, or to retain or deduct therefrom, under any present or future law whatever, except inheritance taxes or so much of any Federal income taxes in respect to income derived from the interest on such Bonds as shall be in excess of two per cent. of such interest.

SECTION 7. Only such Bonds as shall be authenticated by a certificate substantially in the form hereinbefore recited, executed by the Trustee, shall be secured by this Agreement or entitled to any right or benefit hereunder. Such authentication by the Trustee upon any Bond shall be conclusive evidence that the Bond so authenticated has been duly issued hereunder and that the holder thereof is entitled to the benefit of the trusts hereby created. Before authenticating or delivering any Bond, all interest coupons attached thereto and then matured shall be detached and cancelled by the Trustee and delivered to the Company.

SECTION 8. The holder of any Bond may have the ownership thereof registered on books to be kept at the principal office of the Trustee in the Borough of Manhattan, City and State of New York, and such registration noted on the Bond. After such registration, no

further transfer of such Bond shall be valid unless made on the said books by the registered holder in person or by duly authorized attorney and similarly noted on the Bond; but the same may be discharged from registry by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored. Bonds shall continue to be subject to successive registrations and transfers to bearer, at the option of their respective holders. No registration of any Bond, however, shall affect the negotiability of the interest coupons pertaining thereto, which shall continue to be payable to bearer and transferable by delivery merely.

SECTION 9. In case any definitive or temporary Bond issued under this Agreement shall become mutilated or be destroyed or lost, the Company in its discretion may issue and thereupon the Trustee shall authenticate and deliver a new Bond of the same series and of like denomination, in exchange and substitution for such mutilated Bond or in lieu of and substitution for such destroyed or lost Bond. In case of destruction or loss, the applicant for a substitute Bond shall furnish to the Company and the Trustee evidence to their satisfaction, in their discretion, of the destruction or loss of such Bond and of the ownership thereof, and also such security or indemnity as may be required by the Company and the Trustee. Upon the issue of any substitute Bond, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge, or other expense connected therewith, and also a further sum, not exceeding One Dollar for each Bond so issued in substitution.

SECTION 10. Until definitive Bonds of any series are prepared and ready for delivery, the Company may exe-

cute and thereupon the Trustee shall authenticate and deliver, in lieu of such definitive Bonds, one or more temporary Bonds, printed or lithographed, with or without coupons, of any denomination or denominations authorized for such series, or any multiple thereof, substantially of the tenor of the definitive Bonds of such series, except that such temporary Bonds need not contain provisions for registration. Every such temporary Bond shall bear upon its face the words: "Temporary Bond; Exchangeable for a like principal amount of definitive Bonds of the same series", and shall be authenticated by the Trustee in substantially the same manner, and with like effect, as the definitive Bonds. When definitive Bonds are prepared and ready for delivery, such temporary Bonds may be surrendered for exchange therefor, and, upon the cancellation thereof, the Trustee shall authenticate and deliver in exchange therefor an equal aggregate principal amount of definitive Bonds of the same series. Until so exchanged, the temporary Bonds shall in all respects be entitled to the security of this Agreement as Bonds issued and authenticated hereunder; and in the case of temporary Bonds without coupons, the payment of interest thereon shall be noted thereon upon presentation thereof for that purpose.

ARTICLE SECOND.

SUPPLEMENTAL AGREEMENTS.

SECTION 1. The Company and the Trustee may, from time to time and at any time, if by them deemed necessary or advisable, enter into such agreements or indentures supplemental hereto as shall not be inconsistent with the terms and provisions hereof or in conflict with the rights of holders of Bonds theretofore issued hereunder (which supplemental agreements or indentures shall thereafter

form a part hereof) for one or more of the following purposes:

(a) To assign, convey, mortgage, pledge, transfer and set over unto the Trustee, additional property or properties of the Company, for the equal and proportionate benefit and security of the holders of all Bonds at any time issued and outstanding under this Agreement.

(b) To provide for the creation and maintenance of a sinking fund for the equal and proportionate benefit of the holders of all Bonds at any time issued and outstanding under this Agreement.

(c) To provide that the Bonds of any particular series may be issued in denominations of \$100, \$500, \$1,000 and/or any multiple of \$1,000, and the terms and conditions of the exchange of Bonds of one denomination for Bonds of another denomination, of the same series.

(d) To provide that the Bonds of any particular series may be issued as coupon Bonds or as registered Bonds without coupons, and the terms and conditions of the exchange of coupon Bonds for registered Bonds without coupons and of registered Bonds without coupons for coupon Bonds.

(e) To provide that the Bonds of any particular series shall be redeemable, and the terms and conditions of such redemption.

(f) To provide that the Bonds of any particular series may be convertible at the option of the holders into the capital stock of the Company, and the terms and conditions of such conversion.

(g) For any other purpose not inconsistent with the terms of this Agreement.

SECTION 2. The terms and conditions contained in any supplemental agreement or indenture as to any provision

authorized to be contained therein under paragraphs (c), (d), (e) and (f) of the foregoing Section 1 of this Article Second, shall be set forth in reasonable and customary manner in the Bonds of the particular series to which such supplemental agreement or indenture shall apply.

In case of the execution and delivery of any supplemental agreement or indenture, express reference may be made thereto in the text of the Bonds of any series issued thereafter, if deemed necessary or advisable by the Company and the Trustee.

ARTICLE THIRD.

PARTICULAR COVENANTS OF THE COMPANY.

The Company covenants with the Trustee and with the holders of the Bonds as follows:

SECTION 1. The Company will not issue or permit to be issued any Bonds hereunder in any manner other than in accordance with the provisions of this Agreement; and the Company will pay the principal and interest of all the Bonds duly issued hereunder according to the terms thereof.

SECTION 2. So long as any of the Bonds remain outstanding and unpaid, the Company will keep an office in the Borough of Manhattan, City and State of New York, where notices and demands in respect of the Bonds may be served, and will, from time to time, give notice to the Trustee of the location of such office; and, in case the Company shall fail so to do, notices may be served and demands may be made at the principal office of the Trustee in the said Borough of Manhattan, City and State of New York. The Company will at all times keep or cause

to be kept at the said principal office of the Trustee, books in which the ownership of any of the Bonds may be registered, upon presentation thereof for such purpose, as provided in Section 7 of Article First hereof.

SECTION 3. So long as any of the Bonds remain outstanding and unpaid, the Company will not directly or indirectly extend or consent to the extension of the time for the payment of any interest coupon or claim for interest of or upon any Bond, and it will not directly or indirectly be a party to any arrangement therefor, either by purchasing or refunding or in any manner keeping alive such interest coupon or claim for interest, or otherwise. In case the payment of any such interest coupon or claim for interest shall be extended, by or with or without the consent of the Company, then, anything in this Agreement contained to the contrary, notwithstanding, such interest coupon or claim for interest so extended shall not be entitled, in case of default hereunder, to any benefit of or from this Agreement, except after the prior payment in full of the principal of all Bonds secured hereunder and of all interest coupons or claims for interest which shall not have been so extended.

SECTION 4. The franchises and properties of the Company, both real and personal, are now wholly free from and unencumbered by any mortgage or lien in the nature thereof.

So long as any of the Bonds remain outstanding and unpaid, the Company will not execute any mortgage upon or make any pledge of any part of its fixed assets, as defined in this Agreement, other than a mortgage or pledge for the specific security of the Bonds issued hereunder, without providing in any such mortgage or agreement of pledge for the prior security of the Bonds issued

hereunder and the payment thereof in priority to the payment of any other bonds, notes or obligations secured by such mortgage or pledge; and it will not either directly or indirectly make, issue or negotiate any issue of bonds, notes or other funded obligations without expressly providing in the terms thereof, as a part of the same, that all such bonds, notes or funded obligations shall be subject and inferior to the Bonds issued hereunder, and that none of such bonds, notes or funded obligations shall be payable or paid, and that the payment of the same shall be unconditionally postponed, and that the holders thereof shall have no right in law or in equity to sue for or enforce the payment thereof, by suit or otherwise, until all the Bonds issued hereunder shall have been paid in full; *provided*, that nothing in this Section 4 shall apply to any notes, debts, obligations or liabilities which may be made, incurred or contracted by the Company in the ordinary course of conducting its business.

The term “fixed assets”, as used in this Agreement, shall include real estate, mines, mining properties, claims and leases, mineral lands, timber lands, buildings, machinery, plants and equipment and any stocks, bonds or other securities of any constituent company owned by the Company or by any constituent company.

The term “constituent company”, as used in this Agreement, shall mean any corporation or association of which the Company, either directly or through one or more other corporations or associations, shall own at least seventy-five per cent. of the issued and outstanding capital stock.

SECTION 5. So long as any of the Bonds remain outstanding and unpaid, the Company will not cause, suffer

or permit any constituent company, as defined in this Agreement, to mortgage or pledge, or to suffer or permit any lien or other charge to be imposed upon, any of the fixed assets of such constituent company, unless all the bonds, notes or other obligations secured by such mortgage or pledge are forthwith deposited and pledged with the Trustee under this Agreement, as additional security for the Bonds issued hereunder; *provided*, that no obligations of any constituent company, issued hereafter for the purpose of renewing maturing obligations thereof now secured by an existing mortgage or other lien upon the fixed assets of such constituent company, need be pledged with the Trustee hereunder, except in so far as the aggregate principal amount of the obligations issued in renewal of maturing obligations shall exceed the principal amount of such maturing obligations.

SECTION 6. So long as any of the Bonds remain outstanding and unpaid, the Company and each of its constituent companies will maintain, preserve and keep all its and their property, buildings, machinery, plants, equipment and fixtures in thorough repair and condition, and will, from time to time, make all needful and proper repairs thereto and replacements thereof; and the Company will promptly pay and discharge or cause to be paid and discharged any and all lawful taxes, rates, levies, assessments, liens, claims or other charges, whatsoever, upon its property and the properties of its constituent companies and every part thereof and upon the income derived from its and their operations; *provided*, that neither the Company nor any constituent company shall be required to pay or discharge any tax, rate, levy, assessment, lien, claim or other charge, so long as it shall in good faith and by appropriate legal proceedings contest the validity thereof.

SECTION 7. So long as any of the Bonds remain outstanding and unpaid, the Company will at all times work and develop, or cause to be worked and developed, its mineral lands and mining properties and the mineral lands and mining properties of its constituent companies, and its and their concentrating and smelting plants and refineries, to the extent that the same may, from time to time, be profitably or conveniently worked or developed, in a proper and substantial manner and in accordance with good mining practice.

SECTION 8. So long as any of the Bonds remain outstanding and unpaid, the Company and each of its constituent companies will keep all its and their properties, buildings, machinery, equipment and fixtures, and all its and their stock and material, insured in good and responsible insurance companies against loss or damage by fire, explosion, wind or flood, in such manner and to the same extent as is appropriate in the business in which such property is employed; and the Company, upon request of the Trustee, from time to time, will furnish or cause to be furnished to the Trustee a full list of the companies issuing policies of insurance on the said properties, setting forth the character and amount of each policy. The Trustee, however, shall not be required to request such statements to be furnished to it more often than once in each year. In case of loss or damage to the property of the Company or of any of its constituent companies, whereby the sum of \$5,000, or more, shall be collected or received under any policy or policies of insurance, all such insurance moneys shall be applied either (a) in or towards the restoration and replacement of the property so lost or damaged, or (b) in or towards the acquisition of other property for the use of the business of the company suffering such loss or damage, the title to which shall be vested in it, or (c) in or towards the

construction of new buildings for such company, or (*d*) in or towards the purchase or construction of new machinery, equipment and fixtures, which shall be in addition to the plant of such company and not in substitution for old or worn out machinery, equipment or fixtures, or (*e*) if not applied for one or more of the foregoing purposes within six months after the receipt thereof, the said moneys or the unexpended balance thereof or an amount equivalent thereto shall either be applied to the purchase of Bonds of any series issued hereunder, at not more than the current market price thereof, or shall be deposited, in cash or in readily marketable securities at least equal in value thereto, with the Trustee as additional security for the Bonds issued hereunder, until withdrawn by the Company as hereinafter in Article Fourth of this Agreement provided. Any Bonds issued hereunder purchased as herein provided shall forthwith be delivered to the Trustee for cancellation; and the aggregate principal amount of Bonds which may thereafter be issued and outstanding under this Agreement shall be permanently reduced by the principal amount of such Bonds so cancelled.

The term "readily marketable securities", as used in this Agreement, shall mean any stocks, notes, bonds, debentures or other securities listed and regularly dealt with on the New York Stock Exchange, or on any other recognized stock exchange in good standing.

SECTION 9. So long as any of the Bonds remain outstanding and unpaid, the Company will not lease any substantial or essential part of its fixed assets, and it will not suffer or permit any constituent company to lease any substantial or essential part of the fixed assets of such constituent company, except for a fair and reasonable consideration and with the approval of the Trustee.

In case the Company or any constituent company shall desire to lease any substantial or essential part of its fixed assets, the Company shall furnish to the Trustee (1) a copy of the proposed lease, certified by its Secretary or Assistant Secretary, setting forth the full consideration to be received therefor; (2) an appraisal made at the expense of the Company or of the constituent company proposing to execute such lease by a competent engineer chosen or approved by the Trustee, setting forth the actual replacement value of such fixed assets at the time, and (3) a certificate signed by the President or Vice-President of the Company and by its Treasurer or Auditor to the effect, either (*a*) that no part of such fixed assets are needed for use in or in connection with the business of the company proposing to execute the lease, or (*b*) that such company has made provision for the acquisition or use of other fixed assets or facilities of a similar character and at least equal in essential value to the fixed assets so to be leased and that the business of the company will not be injuriously affected by such lease. If, from an examination of the said instruments, the Trustee, in its discretion, shall be satisfied that the consideration to be paid under the proposed lease is a fair one and that there is no reasonable objection thereto, the Trustee shall approve the lease and thereupon, and not otherwise, such company may execute and deliver the same. The Trustee shall not be responsible to the Company or to any constituent company or to the holder of any Bond or Bonds for the giving or the withholding of its approval of any lease, as herein provided.

Without in any way limiting the meaning of the term, "substantial or essential part of its fixed assets", as used in this Section 9, the said term shall

include, in all cases, any fixed assets of a book value in excess of the sum of \$100,000.

SECTION 10. In case the Company or any constituent company shall sell any substantial or essential part of its fixed assets, the Company will apply or cause to be applied the proceeds of such sale, or an amount in cash equivalent thereto, to the purchase of other fixed assets at least equal in value to the fixed assets so sold, or if not so applied within six months after the receipt thereof, the said proceeds or equivalent cash amount or the unexpended balance thereof shall either be applied to the purchase of Bonds of any series issued under this Agreement at not more than the current market price thereof, or shall be deposited, in cash or in readily marketable securities at least equal in value thereto, with the Trustee as additional security for the Bonds issued hereunder, until withdrawn by the Company as hereinafter in Article Fourth hereof provided. Any Bonds issued hereunder, purchased as above provided, shall forthwith be delivered to the Trustee for cancellation; and the aggregate principal amount of Bonds which may thereafter be issued and outstanding under this Agreement shall be permanently reduced by the principal amount of such Bonds so cancelled.

Without in any way limiting the meaning of the term "substantial or essential part of its fixed assets", as used in this Section 10, any fixed assets sold by the Company and/or any constituent company or companies, within any period of one year, shall be included in the meaning of the said term in so far as the sale price of the fixed assets so sold shall exceed in the aggregate the sum of \$100,000.

SECTION 11. So long as any of the Bonds remain outstanding and unpaid, the Company will not consolidate with or permit itself to be merged into any corporation, other than a constituent company, if the holders of twenty-five per cent. or more of the Bonds then outstanding shall object to such consolidation or merger, unless, prior thereto, it secures all the Bonds issued hereunder by a closed first mortgage and pledge on and of all its fixed assets and other properties.

If, at any time, the Company shall desire to consolidate with or be merged into any corporation other than a constituent company, the Company shall file with the Trustee a written statement, signed by its President or Vice-President and its Secretary or Assistant Secretary, setting forth in such reasonable detail as shall be satisfactory to the Trustee the proposed terms of consolidation or merger and naming the date on which it is proposed that such consolidation or merger shall take effect, which date shall not be less than thirty-five days after the date of the filing of the said statement with the Trustee; and in no case shall such consolidation or merger take effect prior to the date so named. Upon receipt of the said statement, the Trustee, at the expense of the Company, shall cause notice of the proposed consolidation or merger described therein to be published in two daily newspapers of general circulation published in the Borough of Manhattan, City and State of New York, and in one daily newspaper of general circulation published in each of the Cities of Philadelphia, Pennsylvania, and Chicago, Illinois, once a week for three successive weeks, the first publication to be not less than thirty, nor more than sixty, days prior to the date named in the said statement of the Company as the date on which it is proposed that such consolidation or merger shall take effect, and, at least thirty days prior to such date, the Trustee shall also

cause similar notice to be mailed to the registered holders of any of the Bonds. Such notice shall briefly set forth the proposed terms of consolidation or merger, as shown in the said statement of the Company filed with the Trustee, and shall call upon any of the holders of the Bonds who may not approve of the proposed consolidation or merger to file with the Trustee, not later than a date to be named in the said notice, which date shall be twenty-five days after the date of the first publication thereof, written notice, addressed to the Trustee, that such holder objects to the proposed consolidation or merger. If, on or before the said date, the Trustee shall have received notice of objection from the holders of twenty-five per cent. or more of the Bonds then outstanding, the Trustee shall forthwith notify the Company thereof; and, in such case, the Company will not suffer or permit the proposed consolidation or merger to take effect or to be consummated, but will suspend or discontinue all proceedings with respect thereto, unless and until it shall first secure, in a manner satisfactory to the Trustee, all the Bonds issued hereunder and then outstanding, by a closed first mortgage and pledge on and of all its fixed assets and other properties.

SECTION 12. So long as any of the Bonds remain outstanding and unpaid, the earned surplus of the Company, calculated in substantially the same manner as the earned surplus shown by the annual reports of the Company in the years prior to the year 1918, shall never be reduced (except by the declaration and payment of stock dividends after January 1, 1919) to an amount less than the aggregate principal amount of Bonds at the time outstanding hereunder; and no Bonds shall at any time be issued under this Agreement, unless at the time of the issue thereof the earned surplus of the Company, calcu-

lated in substantially the same manner as the earned surplus shown by such annual reports (including so much thereof as may have been capitalized by the declaration and payment, after January 1, 1919, of stock dividends), shall be at least equal to the aggregate principal amount of the Bonds then outstanding and then to be issued.

SECTION 13. So long as any of the Bonds remain outstanding and unpaid, the Company will render to the Trustee, on or before June 1 in each year, commencing with the year 1919, an itemized statement of its consolidated income account for the preceding calendar year, and a consolidated balance sheet, taken at the close thereof, certified by its President or Vice-President and its Treasurer or Auditor, setting forth the financial condition of the Company and its constituent companies. Such statement shall be audited by certified public accountants appointed or approved by the Trustee, who shall file with the Trustee a certificate of such audit.

SECTION 14. Except as herein otherwise provided or permitted, either expressly or by implication, the Company will at all times do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights and franchises and the corporate existence, rights and franchises of each of its constituent companies, and the Company will comply, and will cause each of its constituent companies to comply, with all the laws of the State of Montana and of any other state or states of the United States or of any foreign country or political division thereof applicable to the Company or its constituent companies, or any of them, in such manner and form as counsel may advise; and it will not do, suffer or permit any matter or thing whatsoever,

whereby the payment of the indebtedness evidenced by the Bonds issued hereunder might or could be hindered, delayed or imperilled.

SECTION 15. If, at any time, any constituent company, any part of whose capital stock shall then be pledged hereunder (except the Andes Copper Mining Company and the Santiago Mining Company), shall increase its issued capital stock, the Company will forthwith cause the same proportion of such increased capital stock to be deposited and pledged with the Trustee hereunder as, immediately prior to such increase, the stock of such constituent company then pledged hereunder, bore to all the stock thereof then issued and outstanding. So long as any of the capital stock of the said Andes Copper Mining Company shall be deposited and pledged hereunder, the proportion of such stock so pledged shall at all times be all the issued stock thereof which the Company may at any time own or be entitled to own, subject to the terms of a certain agreement, dated January 7, 1918, between William Braden, John D. Ryan, and others, a copy of which agreement, duly certified by the Secretary of the Company, under its corporate seal, will at all times, so long as any of the said stock is pledged with the Trustee, be kept on file at the principal office of the Trustee and open to the inspection of the holders of the Bonds. So long as any of the stock of the said Santiago Mining Company shall be deposited and pledged hereunder, the proportion of such stock so pledged shall at all times be at least equal to eighty per cent. of the total issued and outstanding stock thereof, and all the issued capital stock thereof which the Company may at any time own.

SECTION 16. So long as any of the stock of any constituent company is pledged hereunder, the Company will

not suffer or permit any other constituent company which may own any shares of such stock to sell or otherwise dispose of the same, except to the Company or to another constituent company, some part of whose stock is pledged hereunder, and, in case the Company shall itself acquire the same, the Company will forthwith cause all such stock to be pledged hereunder. In case any constituent company (except the Andes Copper Mining Company), any part of whose capital stock is owned by another constituent company, shall increase its issued capital stock, the Company will cause the same proportion of such increased capital stock to be acquired by such other constituent company as, immediately prior to such increase, the stock then owned by such other constituent company bore to all the stock then issued and outstanding.

SECTION 17. The Company will promptly pay or cause to be paid, when due, any and all further calls or instalments upon any of the shares of the capital stock of the Santiago Mining Company, now or hereafter pledged hereunder; and without, demand or other action on the part of the Trustee, will promptly deliver to the Trustee, for deposit and pledge hereunder, any and all receipts or certificates showing such payments. The Trustee shall be under no liability in respect to any calls or assessments upon any of the said shares of stock, nor to make any inquiry as to the payment of any balance due thereon.

ARTICLE FOURTH.

CONTROL OF STOCKS AND SECURITIES PLEDGED OR DEPOSITED.

SECTION 1. The Trustee may, but it shall not be obliged to, cause all shares of stock and all bonds or other securities at any time pledged or deposited with it hereunder to be transferred into its name as Trustee, or into

the name of its nominee or nominees, and shall hold the same subject to the terms and conditions of this Agreement.

SECTION 2. So long as the Company shall not be in default hereunder, to the knowledge of the Trustee, the Company shall be entitled, from time to time, to collect for its own use all dividends which may be declared on any stock which shall at the time be pledged hereunder, and all sums which may become due and payable for any interest upon any bonds or other securities which shall be at the time pledged hereunder, or which may accrue upon any moneys deposited with the Trustee hereunder; and the Trustee, upon the written request of the Company, signed by its President or Vice-President and its Secretary or Assistant Secretary, shall from time to time deliver to the Company suitable assignments and orders for the payment to it, or to its Treasurer or other officer or agent designated in such request, of all dividends which, from time to time, may be declared or become payable on such stock, and shall deliver to it, or to its Treasurer or other officer or agent so designated, the interest coupons pertaining to any coupon bonds, as the same become due and payable, and suitable assignments and orders for the payment of interest upon other bonds and securities; and the Trustee, upon request of the Company, signed as aforesaid, shall from time to time pay over to it, or to its Treasurer or other officer or agent designated in such request, any and all sums which may be received or collected by the Trustee for dividends upon any stock or as interest upon any bonds or other securities and any and all sums which may accrue as interest on any moneys deposited with the Trustee hereunder.

SECTION 3. So long as the Company is not in default hereunder, to the knowledge of the Trustee, the Company

shall have the right to vote, from time to time, all shares of stock pledged or deposited with the Trustee hereunder for all purposes not contrary to the provisions of this Agreement or inconsistent herewith, with the same force and effect as though such shares of stock were not subject to the lien hereof and, from time to time, upon the written demand of the Company, signed by its President or Vice-President and its Secretary or Assistant Secretary, the Trustee shall execute and deliver, or cause to be executed and delivered, to the Company, or to its nominees, suitable powers of attorney or proxies to vote upon any such shares of stock as shall at the time be registered in the name of the Trustee, or its nominees; but every such proxy, unless it be limited so as expressly to authorize the casting of a vote only for a specific purpose or purpose authorized by this Agreement or not inconsistent herewith, shall contain a provision substantially in the following form:

“The holder of this proxy shall have no right to vote for, but is instructed to vote against, any lien, mortgage, sale, increase of capital stock, consolidation or charge upon either the property or earnings of the corporation in respect of which this proxy is issued, which shall impair or diminish the rights and interests represented by the stock of the said corporation, except as otherwise expressly provided in the Trust Agreement, dated January 2, 1919, executed between the Anaconda Copper Mining Company and the Guaranty Trust Company of New York, as Trustee.”

The Trustee shall be fully protected in the giving of any proxy or proxies or powers of attorney to the Company, pursuant to the provisions aforesaid; and it shall not be responsible for any abuse or mistake in the construction of any such instrument.

SECTION 4. The Trustee may do whatever may be necessary for the purpose of maintaining, preserving, renewing or extending the corporate existence of any constituent company whose stock is pledged hereunder, and for such purpose may, from time to time, sell, assign, transfer and deliver so many shares of the stock of any such constituent company as may be necessary to qualify persons to act as directors thereof or in any other official relation to any such company. The Trustee may likewise, in its discretion, protect the properties affected by any of the stocks, bonds or other securities that may, from time to time, be pledged hereunder, by instituting or joining in judicial proceedings, by the purchase at judicial sale of property so affected, by joining in any reorganization of such property or of the companies owning the same, or in any other manner that the Trustee may deem expedient. Whenever the Company, while not in default hereunder to the knowledge of the Trustee, shall in writing so request, which request shall state that the Company has no shares of stock available for that purpose under its control other than shares pledged under this Agreement, the Trustee shall transfer or cause to be transferred to persons designated by the Company, a sufficient number of shares then held by the Trustee hereunder, to qualify such persons to act as directors or in any other official relation to any constituent company; *provided*, that, in every such case, the Trustee shall make such arrangements as it shall deem proper or necessary for the protection of the trusts hereby created in respect of the shares of stock so transferred.

SECTION 5. Subject to the terms hereinafter in this Section 5 set forth, the Trustee shall, from time to time, and at any time, upon the written request of the Company, signed by its President or Vice-President and its

Secretary or Assistant Secretary, release from the lien of this Agreement and deliver to or upon the order of the Company all (but not part only) of the capital stock of the International Smelting Company, the Tooele Valley Railway Company, the International Lead Refining Company, the Raritan Copper Works and the Diamond Coal and Coke Company, or of any one or more of the said companies, now or at any time hereafter pledged hereunder, and/or (but not part only) of the capital stock, as a single parcel, of the Andes Copper Mining Company, the Andes Exploration Company (of Delaware), the Andes Exploration Co. (of Maine), the Santiago Mining Company and the Potrerillos Railway Company, now or at any time hereafter pledged hereunder, upon the delivery to and the deposit or pledge with the Trustee, in substitution therefor, of the stock, bonds or other securities of other constituent companies and/or an amount in cash at least equal in value to the stock so released, which cash, so deposited, shall be paid out by the Trustee, from time to time, to or upon the written order of the Company, signed by its President or Vice-President and its Secretary or Assistant Secretary, upon the delivery to and the pledge with the Trustee of the stock, bonds or other securities of constituent companies at least equal in aggregate value to the amount of cash so paid out; *provided*, that no shares of stock of any constituent company shall at any time be pledged hereunder, unless such shares (or such shares together with other shares owned by another constituent company, some part of whose stock shall likewise be pledged hereunder) shall constitute at least seventy-five per cent. of all the shares of such stock at the time issued and outstanding, and unless also the shares pledged hereunder shall constitute all of such stock then owned by the Company; and *provided*, further, that no bonds or other securities of any constituent company shall

at any time be pledged hereunder, except as provided in Section 5 of Article Third hereof, unless the stock thereof, to the extent above provided, shall also be pledged with the Trustee; and *provided*, further, that the Andes Exploration Company (of Delaware) and the Andes Exploration Co. (of Maine), or either of them, may at any time be dissolved, upon the pledge or mortgage with or to the Trustee of all the fixed assets owned by such constituent company at the time of the dissolution thereof; and upon receipt by the Trustee of a certificate, signed by the President or Vice-President and the Treasurer or Auditor of the Company, verified by one of such officers, to the effect that such constituent company has been or is about to be dissolved and that such fixed assets so pledged or mortgaged constitute or will constitute the entire fixed assets of such constituent company at the time of the dissolution thereof, the Trustee shall release from the lien hereof and deliver to or upon the written order of the Company, signed by its President or Vice-President and its Secretary or Assistant Secretary, all the capital stock of the constituent company so dissolved, at the time pledged hereunder. Any stock, bonds or other securities of a constituent company at any time pledged with the Trustee hereunder in substitution for the stock, bonds or other securities of another constituent company or companies or upon the withdrawal of cash, as above provided, shall likewise be released by the Trustee from the lien hereof and delivered to or upon the order of the Company, from time to time, in the manner and subject to the conditions in this Section 5 set forth (but only as a single parcel as to the stock, bonds and other securities of each constituent company), at the valuation thereof fixed by the Company at the time of the original delivery and pledge thereof, as in this Section provided, irrespective of the subsequent delivery and pledge of any additional shares of such stock.

At the time of the delivery to and the pledge with the Trustee hereunder of the stock, bonds or other securities of any constituent company, the Company shall deliver to the Trustee a certificate, in form satisfactory to the Trustee, signed by the President or Vice-President of the Company and its Treasurer or Auditor, verified by one of such officers, which certificate shall set forth the estimated reasonable value of such stock, bonds and other securities, as a single parcel, and shall certify that the shares of stock so delivered and pledged (or such shares together with other shares owned by another constituent company, some part of whose stock is likewise pledged hereunder) constitute at least seventy-five per cent. of all the shares of such stock at the time issued and outstanding and that the shares so pledged constitute all of such stock then owned by the Company, and stating also such other pertinent facts as may be necessary to establish the right of the Company to the release of any stocks, bonds or other securities or to the payment of any deposited cash. The estimated reasonable value of such stock, bonds and other securities, set forth in the said certificate, shall be taken as the actual value thereof for the purpose of any original pledge and of any subsequent release of such stock, bonds and other securities made under the provisions of this Section 5.

For the purpose of any release thereof made under the provisions of this Section 5, the stock of the constituent companies described in the granting clause of this Agreement and pledged hereunder (together with any additional stock of any of the said constituent companies which may at any time hereafter be pledged hereunder), is valued, respectively, as follows:

Capital stock of International Smelting Company.....	\$12,000,000;
“ “ “ Tooele Valley Railway Company.....	\$ 320,000;
“ “ “ International Lead Refining Company..	\$ 750,000;
“ “ “ Raritan Copper Works.....	\$10,000,000;
“ “ “ Diamond Coal and Coke Company.....	\$ 5,000,000;

Capital stock of Andes Copper Mining Company, Andes
 Exploration Company (of Delaware),
 Andes Exploration Co. (of Maine),
 Santiago Mining Company and Potrerillos
 Railway Company (as a single
 parcel)\$60,000,000.

SECTION 6. Any cash or securities at any time deposited with the Trustee hereunder, pursuant to the provisions of Section 8 or Section 10 of Article Third of this Agreement, shall be held by the Trustee in a single fund and, so long as the Company is not in default hereunder, to the knowledge of the Trustee, may be withdrawn by the Company, from time to time, in reimbursement of actual and reasonable expenditures made by it in the purchase, construction or acquisition, after the date of the deposit of such cash or securities with the Trustee, of fixed assets for use in or in connection with the business of the Company, title to which fixed assets shall be vested in it. In case the Company shall at any time desire so to be reimbursed, it shall deliver to the Trustee a written request, signed by its President or Vice-President and its Secretary or Assistant Secretary, requesting the Trustee to deliver, in accordance with the terms of such request, a specified amount of cash and/or securities therein described. Such request shall be accompanied by a certificate, in form satisfactory to the Trustee, signed by the President or Vice-President of the Company and its Treasurer or Auditor, setting forth that the Company has made stated expenditures in the purchase, construction or acquisition (as the case may be), after a date named in such certificate, or fixed assets which shall be therein described in reasonable detail; and certifying, also, that such expenditures were not in excess of the reasonable, fair value of such fixed assets, that such expenditures had not been made or reimbursed out of the pro-

ceeds of any insurance or of the sale of any fixed assets or of any Bonds issued hereunder, that the said fixed assets were for use in or in connection with the business of the Company, that title thereto was vested in the Company, and that the Company is not in default in respect of any of the covenants or agreements contained in this Agreement on its part to be performed or observed. In case the Company shall request the delivery of any securities, the certificate shall also certify that the current market value of the said securities is not in excess of a sum therein specified. Upon receipt of such request and certificate the Trustee, if satisfied therewith, shall pay out from the said fund and deliver in accordance with the said request the cash and/or securities described therein; *provided*, that no such payment or delivery shall be made except of cash or securities on deposit with the Trustee in the said fund on or prior to the date named in the said certificate as the date upon which the expenditures in respect of which reimbursement is desired were made.

Anything herein in this Section 6 to the contrary contained notwithstanding, the Company, while not in default, hereunder to the knowledge of the Trustee, shall have the right at any time to withdraw any of the said cash or securities then on deposit with the Trustee in the said fund, upon the delivery to and the deposit with the Trustee, in lieu thereof, of other readily marketable securities and/or cash, at least equal in aggregate value to the cash and securities so withdrawn. In case the Company shall, at any time, desire so to withdraw any cash or securities, it shall deliver to the Trustee a written request, signed by its President or Vice-President and its Secretary or Assistant Secretary, requesting the Trustee to pay out and deliver, in accordance with the terms of such request, a specified amount of cash and/or securities therein described, and shall, at the same time, deliver

to the Trustee, for deposit in the said fund, in lieu of the cash or securities so withdrawn, other readily marketable securities and/or cash, of at least equal aggregate value, accompanied by a certificate, signed by the President or Vice-President of the Company and its Treasurer or Auditor, to the effect that the securities so to be withdrawn were of a current market value not in excess of a sum therein specified, and that the securities delivered and deposited in lieu thereof were of a current market value of not less than a sum therein specified. Any cash or securities at any time so delivered to the Trustee in lieu of and upon the withdrawal of any other securities or cash may in turn be withdrawn, from time to time, on the terms and conditions hereinbefore set forth.

SECTION 7. The Trustee may accept any certificate or written request delivered to it pursuant to any of the provisions of this Article Fourth as conclusive proof of any of the facts therein set forth, and the Trustee shall be fully protected for or in respect of any action taken or suffered by it under any of the provisions hereof in reliance thereon; but the Trustee may, in its discretion, require such other and further proof of any such fact or facts as, under the circumstances, it may deem proper.

ARTICLE FIFTH.

REMEDIES OF TRUSTEE AND BONDHOLDERS.

SECTION 1. If default be made in the payment of the principal of any of the Bonds when due, or if default be made in the payment of any instalment of interest thereon, and such default shall continue for thirty days, or if default be made in the due observance or performance of any other covenant or condition herein required to be kept or performed by the Company, and such default

shall continue for thirty days after written notice thereof shall have been given to the Company by the Trustee, which shall give such notice upon the written request of the holders of twenty-five per cent. in aggregate principal amount of the Bonds then outstanding, then, in each and every such case, the Trustee, by notice in writing mailed to the Company, may and, upon the written request of the holders of twenty-five per cent. in aggregate principal amount of the Bonds then outstanding, shall declare the principal and interest of all the Bonds of any and all series then outstanding to be immediately due and payable; and upon any such declaration the same shall become and be immediately due and payable, anything in the Bonds or in this Agreement contained to the contrary notwithstanding. This provision is subject, however, to the condition, that if, at any time after the principal of the Bonds shall have been so declared due and payable, but before any sale of the Trust Property shall have been made, as hereinafter provided, and prior to the date of maturity specified in the Bonds, all arrears of interest upon all the Bonds, with interest on overdue instalments of interest at the rates specified in the respective Bonds, shall have been paid, together with the reasonable charges and expenses of the Trustee, its agents and attorneys, and all other obligations of the Company in respect of which it was in default under this Agreement shall have been fulfilled and performed, then, in each such case, the holders of a majority in amount of the Bonds then outstanding, by written notice to the Company and to the Trustee, may waive such default and its consequences and rescind any such declaration; but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

SECTION 2. If default be made by the Company in any of the respects specified in Section 1 of this Article Fifth, and such default shall continue for the period, if any, therein specified, then, in each and every such case, the Trustee may and, upon the written request of the holders of twenty-five per cent. in aggregate principal amount of the Bonds then outstanding, shall, either (a) offer for sale and sell all the Trust Property then in its possession, or (b) proceed by a suit or suits at law or in equity, as the Trustee may be advised by counsel, to enforce the payment of the Bonds or the performance of any of the covenants or conditions in respect of which the Company may be in default hereunder, or to foreclose this Agreement and sell the Trust Property under the judgment or decree of a court of competent jurisdiction.

Any sale or sales hereunder, unless a court of competent jurisdiction shall otherwise direct, shall be made at public auction at such place in the Borough of Manhattan, City of New York, or elsewhere, and at such times and on such terms as the Trustee may determine, and the Trust Property may be sold in such lots and such sales may be conducted in such manner as the Trustee may from time to time determine, or as may from time to time be directed by the holders of a majority in aggregate principal amount of the Bonds then outstanding. Notice of any such sale, whether under power of sale herein granted or under judicial proceedings, shall state the time when and the place where the same is to be made, shall contain a brief description of the Trust Property to be sold and shall be published twice a week for two successive weeks prior to the date fixed for such sale in two daily newspapers of general circulation published in the Borough of Manhattan, City of New York; and such other notice shall also be given as may be required by any statute or rule or order of court.

The Trustee shall have power, in its discretion, to adjourn any sale, from time to time, as to the whole or any part of the Trust Property and, if so adjourned, to make such sale upon the day to which the adjournment is had, without further notice. Any sale made as herein provided shall be a perpetual bar, both at law and in equity, against the Company and its successors, and against all persons claiming or to claim the Trust Property, or any part thereof, by, through or under it or them.

Upon the sale of the Trust Property, whether under the power of sale herein granted or under judicial proceedings, every purchaser shall be entitled, in making payment therefor, after paying in cash so much as may be necessary to cover the costs and expenses of the sale and of the proceedings incident thereto, and all other charges that may be required by decree or otherwise to be paid in cash, including the compensation of the Trustee and its expenses, to appropriate and use toward the payment of the remainder of the purchase price any of the Bonds and interest coupons outstanding hereunder, reckoning each Bond and interest coupon so appropriated and used at such sum as shall be payable thereon out of the net proceeds of the sale. If the net proceeds of such sale shall be sufficient to pay such Bonds and interest coupons in full, they shall be cancelled and, upon written demand, surrendered by the Trustee to or upon the order of the Company; but if the sum applicable in respect thereto is not sufficient to pay such Bonds in full, the sum so allowed on account thereof shall be noted thereon as paid.

At any sale the Trustee, either in behalf of the holders of the Bonds or in its own behalf, or any holder of any Bond, may bid for and may purchase such property, and may make payment therefor as aforesaid, and, upon compliance with the terms of sale, may hold, retain and dispose of such property without further accountability.

In case of any such sale of any part of the Trust Property, the whole of the principal of the Bonds then outstanding, if not previously due, shall become immediately due and payable, anything in the Bonds or in this Agreement contained to the contrary notwithstanding.

SECTION 3. If default be made in the payment of any part of the principal or interest of any of the Bonds when due, whether upon the maturity thereof or upon declaration, or otherwise, then, in each such case, upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the holders of the Bonds and interest coupons then outstanding, the whole amount then due and payable on all such outstanding Bonds and interest coupons for principal or interest, or both, with interest upon overdue instalments of interest at the rates specified in the respective Bonds; and in case the Company shall fail to pay the same forthwith upon such demand, the Trustee, in its own name, and as trustee of an express trust, shall be entitled to recover judgment against the Company for the whole amount so due and unpaid. The Trustee shall be entitled to recover judgment, as aforesaid, either before or after or during the pendency of any proceedings for the enforcement of any of the provisions of this Agreement, and either before or after any sale of the Trust Property, and the right of the Trustee to recover such judgment shall not be affected by any sale of the Trust Property or by the exercise of any right, power or remedy for the enforcement of the provisions of this Agreement, or the foreclosure hereof; and in case of a sale of the Trust Property and of the application of the proceeds of sale to the payment of the amount then due upon the outstanding Bonds and interest coupons, the Trustee, in its own name, and as trustee of an express trust, shall be entitled to

enforce payment of and to receive all amounts then remaining due and unpaid upon any and all of the Bonds then outstanding for the benefit of the holders thereof, and shall be entitled to recover judgment against the Company for any amount remaining unpaid upon, or in respect to, the Bonds and interest coupons, together with interest. No recovery of any such judgment and no levy of any execution under any such judgment upon the Trust Property, or upon any other property, shall in any manner or to any extent affect the lien of the Trustee upon the Trust Property, or any part thereof, or any rights, powers or remedies of the holders of the Bonds; but such lien, rights, powers and remedies shall continue unimpaired as before. Any moneys collected by the Trustee under this Section 3 shall be applied by the Trustee in the same order and in the same manner as the proceeds resulting from any sale of the Trust Property, as provided in Section 4 of this Article.

All rights of action under this Agreement may be enforced by the Trustee without the possession of any Bonds or the production thereof on the trial or other proceedings relative thereto.

SECTION 4. In case of any sale of the trust property, whether under the power of sale hereby granted, or pursuant to judicial proceedings, the proceeds thereof, together with any other sums which may then be held by the Trustee under any of the provisions of this Agreement as part of the security hereunder, shall be applied, as follows:

First. To the payment of the costs, expenses, fees, and other charges of such sale, and a reasonable compensation to the Trustee, its agents and attorneys, and to the payment of all expenses and

liabilities incurred and advanced, or disbursements made, by the Trustee ;

Second. To the payment of the whole amount then due and unpaid either for principal or interest, or for both principal and interest, upon the Bonds, with interest on the overdue instalments of interest at the rates specified in the respective Bonds ; and, in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid, then to the payment of such principal and interest ratably, according to the aggregate of such principal and the accrued and unpaid interest, without preference or priority of principal over interest, or of interest over principal, or of any instalment of interest over any other instalment of interest, except as to the difference (if any) in the respective rates of such interest ; and

Third. To the payment of the remainder, if any, to the Company, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same.

SECTION 5. If default be made by the Company in any of the respects specified in Section 1 of this Article Fifth, and such default shall continue for the period, if any, therein specified, the Trustee shall be entitled to receive and collect, for the benefit of the holders of the Bonds, all dividends that may thereafter be declared on any stock pledged hereunder, and all sums which may thereafter become due and payable for interest upon any bonds or other securities pledged hereunder or which may thereafter accrue upon any moneys deposited with the Trustee hereunder. The Trustee shall apply any and all moneys so received and collected by it, as follows :

First. In case the principal of the Bonds shall have not become due, to the payment of the interest in default thereon in the order of the maturity of the instalments of such interest, with interest thereon at the rates specified in the respective Bonds, such payments to be made ratably to the persons entitled thereto, without any discrimination or preference, except as to the difference (if any) in the respective rates of interest; or

Second. In case the principal of the Bonds shall have become due, by declaration or otherwise, to the payment of the accrued interest thereon (with interest on overdue instalments thereof at the rates specified in the respective Bonds) in the order of the maturity of such instalments, and, if any surplus remains, toward the payment of the principal of the Bonds then due; such payments in every instance to be made ratably to the persons entitled thereto, without any discrimination or preference, except as to the difference (if any) in the respective rates of interest.

Upon the payment in full, as above provided, of whatever sum or sums may have been due for principal and/or for interest, or payable for other purposes, and upon the fulfillment and performance of all other obligations of the Company in respect of which it was in default under this Agreement, the Company shall thereafter be entitled to receive the income from the Trust Property, unless the same shall have been sold as in this Article Fifth provided, in the same manner and to the same extent as though no default had occurred.

SECTION 6. Except as herein expressly provided to the contrary, no remedy herein conferred upon or re-

served to the Trustee or to the holders of the Bonds is intended to be exclusive of any other remedy, but every remedy herein provided shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity, or by statute; and every power and remedy given by this Agreement to the Trustee or to holders of the Bonds may be exercised from time to time, and as often as may be deemed expedient. No delay or omission by the Trustee or by any holder of any Bond to exercise any right or power arising from any default, shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein. In case the Trustee shall have proceeded to enforce any right under this Agreement, and such proceedings shall have been discontinued or abandoned because of waiver, or for any other reason, or shall have been determined adversely, then, and in each and every such case, the Company and the Trustee shall severally and respectively be restored to their former positions and rights hereunder in respect of the Trust Property, and all rights, remedies and powers of the Trustee shall continue as though no such proceedings had been taken.

SECTION 7. No holder of any Bond shall have the right to institute any suit, action or proceeding at law or in equity upon, or in respect of, this Agreement, or for the execution of any trust or power hereof, or for any other remedy under or upon this Agreement, unless such holder shall previously have given to the Trustee written notice of an existing default; nor unless, also, such holder or holders shall have tendered to the Trustee security and indemnity satisfactory to it against all costs, expenses and liabilities which might be incurred in or by reason of such action, suit or proceeding; nor unless,

also, the holders of at least twenty-five per cent. in aggregate principal amount of the Bonds then outstanding shall have requested the Trustee in writing, to take action in respect of such default and the Trustee shall have declined to take such action or shall have failed so to do within thirty days thereafter; it being understood and intended that no holder of any Bond shall have any right in any manner whatever to affect, disturb or prejudice the lien of this Agreement by his action, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings hereunder shall be instituted, and maintained in the manner herein provided and for the equal benefit of all holders of outstanding Bonds.

ARTICLE SIXTH.

SUNDRY PROVISIONS.

SECTION 1. Any demand, request or other instrument required by this Agreement to be signed or executed by the holders of any Bonds may be in any number of concurrent writings of similar tenor, and may be signed or executed by such holders in person, or by attorney appointed in writing. Proof of the execution of any such demand, request or other instrument, or of the writing appointing any such attorney, and of the ownership by any person of any Bonds, shall be conclusive in favor of the Trustee and of the Company, with regard to due action taken by the Trustee or by the Company, pursuant to such instrument, if such proof be made in the following manner:

The fact and date of the execution by any person of any such demand, request or other instrument or writing may be proved by the certificate of any notary public or any officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds to be recorded in any State within the United States, certifying that the

person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution duly sworn to before any such notary public or other officer.

The fact of the holding of any Bonds which shall not at the time be registered as to principal and the amounts and serial numbers of such Bonds and the date of holding the same, may be proved by a certificate executed by any trust company, bank, banker or other depository (wherever situated), if such certificate shall be deemed by the Trustee to be satisfactory, showing that at the date therein mentioned the person named in such certificate had on deposit with, or exhibited to, such depository the Bonds described in such certificate. For all purposes of this Agreement and of any proceeding pursuant hereto for the enforcement hereof or otherwise, such person shall be deemed to continue to be the holder of such Bonds until the Trustee shall have received notice in writing to the contrary. The ownership of any Bonds registered as to principal shall be proved by the register of such Bonds.

SECTION 2. As to all Bonds registered as to principal, the person in whose name the same shall be registered on the books of the Company shall for all purposes of this Agreement be deemed and regarded as the owner thereof, and payment of or on account of the principal of any such Bond registered as to principal shall be made only to or upon the order of such registered holder. Such payment shall be valid and effectual to satisfy and discharge the liability of the Company upon such Bonds to the extent of the sum or sums so paid.

The holder of any Bond which shall not at the time be registered as to principal and the holder of any interest coupon pertaining to any Bond, whether such Bond be registered as to principal or not, shall, for all purposes of this Agreement, be treated as the absolute owner of such Bond or interest coupon; and neither the Company nor the Trustee shall be affected by any notice to the contrary.

SECTION 3. No recourse shall be had for the payment of either principal or interest of any Bond or for any claim based thereon or otherwise in any manner in respect thereof or in respect of this Agreement, or against any stockholder, officer or director of the Company, past, present or future, or his legal representatives or assigns, either directly or through the Company, by virtue of any statute, or by the enforcement of any assessment or penalty, or in any manner.

SECTION 4. All the covenants, stipulations and agreements in this Agreement contained, by or on behalf of the Company, are and shall be for the sole and exclusive benefit of the parties hereto and of the respective holders and owners of the Bonds and interest coupons hereby secured, and shall bind and apply to the successors and assigns of the Company, whether so expressed or not. Whenever, in this Agreement, either of the parties hereto is named or referred to, it shall be deemed to include the successor or successors and assigns of such party, and all covenants, promises and agreements in this Agreement contained by or on behalf of the Company, or by or on behalf of the Trustee, shall bind and inure to the benefit of the respective successors and assigns of such party, whether so expressed or not.

ARTICLE SEVENTH.

CONCERNING THE TRUSTEE.

SECTION 1. The Trustee accepts the trusts of this Agreement, and agrees to execute them upon the terms and conditions hereof, including the following, to all of which the parties hereto and the respective holders of the Bonds agree :

Any action taken by the Trustee pursuant to this Agreement, at the request or with the consent of any person who at any time is the owner of any Bond secured hereby, shall be conclusive and binding upon all future owners of such Bond.

The Trustee shall not be under any responsibility or duty with respect to the disposition of the Bonds or the proceeds thereof, or for the application of any moneys paid to the Company under any of the provisions hereof.

It shall be no part of the duty of the Trustee to see to the insurance of any of the mortgaged properties, or itself to affect or maintain such insurance or to receive any policies of insurance or to collect the proceeds thereof, or to see to the payment of any tax or assessment or other governmental charge which may be levied or assessed against the Company or against the Trust Property, or against the owners of the Bonds, or to see to the performance or observance of any of the covenants or agreements hereof on the part of the Company.

All moneys coming into the hands of the Trustee may be treated by it, until such time as it is required to pay out the same, as a general deposit, and the interest to be paid thereon shall be at such rate as the Trustee allows to its general depositors.

The Trustee shall be entitled to reasonable compensation for all services rendered by it in the execution of the

trusts hereby created, and such compensation, and that of its counsel and of such persons as it may employ in the administration of the trusts hereby created, as well as all reasonable expenses necessarily incurred and actually disbursed hereunder, the Company agrees to pay; and, until paid, the Trustee shall have a lien upon the Trust Property for such payment prior to the lien of the Bonds.

The Trustee shall not be responsible for the recitals herein or in the Bonds, all of which are made by the Company solely.

The Trustee shall not be under any obligation to take any action toward the execution or enforcement of the trusts hereby created, which in its opinion will be likely to involve it in expense or liability, unless one or more holders of Bonds shall, as often as required by the Trustee, furnish it security and indemnity satisfactory to it against such expense or liability; nor shall the Trustee be required to take notice of any default hereunder unless notified in writing of such default by the holders of at least twenty-five per cent. in aggregate principal amount of the Bonds then outstanding; nor to take any action in respect of any such default involving expense or liability unless requested by an instrument in writing signed by the holders of not less than twenty-five per cent. in aggregate principal amount of the Bonds then outstanding and tendered such security and indemnity as aforesaid, anything herein contained to the contrary notwithstanding; but neither any such notice or request, nor this or any other provision therefor, shall affect any discretion herein given to the Trustee to determine whether or not it shall take action in respect of such default, or to take action without such request.

The Trustee shall not be answerable for the default or misconduct of any agent or attorney appointed by it in pursuance hereof, if such agent or attorney shall have been selected with reasonable care.

The Trustee shall not be liable for any error of judgment, nor for any act done or step taken or omitted by it in good faith, nor for any mistake of fact or of law, nor for anything which it may do or refrain from doing in connection herewith, except only for its own wilful default.

The Trustee shall be reimbursed and indemnified by the Company against any liability or damage it may sustain or incur in the premises, and shall have a lien upon the Trust Property, and the proceeds thereof, preferential to the Bonds, for any such liability or damage.

The Trustee may advise with legal counsel; and any action under this Agreement taken or suffered in good faith by the Trustee in accordance with the opinion of counsel, shall be conclusive on the Company and on all holders of the Bonds; and the Trustee shall be fully protected in respect thereto.

The Trustee shall be protected in acting upon any notice, request, waiver, copy of resolution, consent, certificate, note, affidavit, indemnity bond or other paper or document, believed by it to be genuine and to be signed by the proper party or parties.

The Trustee shall not be accountable in respect of the validity of this instrument or of the Bonds issued hereunder, nor for the sufficiency of the security provided hereby, and it makes no representation in respect thereof.

The Trustee, in its individual capacity, may acquire and hold any Bonds issued hereunder, with the same rights and to the same extent as if it were not such Trustee.

In case at any time it shall be necessary or proper for the Trustee to make any investigation respecting any facts preparatory to taking or not taking any action, or doing or not doing anything as such Trustee, the certificate of the Company, under its corporate seal, attested by the signature of its President or a Vice-President, and the

affidavit of one or more directors of the Company, other than such President or Vice-President, shall, except as in this Agreement otherwise expressly provided, be conclusive evidence of such fact to protect the Trustee in any action that it may take, or refrain from taking, by reason of the supposed existence or non-existence of such fact.

SECTION 2. The Trustee or any successor may resign as such Trustee by filing with the Company an instrument in writing, resigning the trusts created hereby, two weeks (or such shorter time as may be accepted by the Company as adequate) before such resignation shall take effect.

Any Trustee may be removed at any time by an instrument in writing filed with the Trustee for the time being under this Agreement and executed by the holders of at least a majority in aggregate principal amount of the Bonds then outstanding, provided there be paid to the Trustee so removed all moneys then due to it hereunder.

SECTION 3. In case at any time the Trustee shall resign or shall be removed or otherwise shall become incapable of acting, a successor may be appointed by the holders of a majority in aggregate principal amount of the Bonds then outstanding by an instrument signed by such holders or their attorneys in fact duly authorized, an original of which instrument shall be delivered to the retiring Trustee and a duplicate original to the successor Trustee, so appointed; but until a new Trustee shall be appointed as hereinabove provided, the Company may, by an instrument in writing, executed by order of its Board of Directors and similarly delivered, appoint a Trustee to fill such vacancy. Any such Trustee so appointed by the Company shall immediately be superseded by a Trustee appointed in the manner above provided by

the holders of a majority in aggregate principal amount of the Bonds.

Any Trustee appointed under any of the provisions of this Article shall always be a trust company having an office in the Borough of Manhattan, City and State of New York, and having a capital and surplus aggregating at least Five Million Dollars, if there shall be such a trust company willing and able to accept the trusts upon reasonable or customary terms.

SECTION 4. Any successor Trustee appointed hereunder shall execute and deliver to the Company and to its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon such successor Trustee shall be invested with the authority, rights, powers and duties herein provided for the Trustee; and, upon the resignation or removal of any Trustee, all the estate, right, title and interest of such Trustee in the mortgaged properties shall wholly cease and determine; but the Trustee so resigning or removed, shall, at the request of the Company, its successors or assigns, or of the successor Trustee so appointed, and upon payment of its charges and disbursements then unpaid, execute and deliver to such successor all such assignments, conveyances and other instruments as such successor may reasonably require, and shall deliver to such successor in negotiable form or accompanied by suitable transfer powers all cash, shares of stock, bonds or other securities then in its possession hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their corporate names by their respective chairmen of the Board of Directors, Presidents or Vice-Presidents, and their corporate seals

to be hereto affixed, attested by their respective Secretaries or Assistant Secretaries, as of the day and year first above written.

ANACONDA COPPER MINING COMPANY,
[CORPORATE SEAL.] By JOHN D. RYAN,
Chairman of the Board of Directors.

Attest:

A. H. MELIN,
Secretary.

GUARANTY TRUST COMPANY OF NEW YORK,
[CORPORATE SEAL.] By F. J. H. SUTTON,
Vice-President.

Attest:

H. R. JOHNSTON,
Assistant Secretary.

STATE OF NEW YORK,}
County of New York.}

On this 22d day of January, 1919, before me personally came JOHN D. RYAN, to me personally known, who, being by me duly sworn, says that he resides in the Borough of Manhattan, City and State of New York; that he is the Chairman of the Board of Directors of the ANACONDA COPPER MINING COMPANY, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of the said corporation, and that he signed his name thereto by like authority.

[NOTARIAL SEAL.]	A. E. BURKE, Notary Public, New York County New York County Clerk's No. 356 New York Register's No. 10024 My Commission Expires Mar. 30, 1920.
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STATE OF NEW YORK,}
County of New York.}

On this 22d day of January, 1919, before me personally came F. J. H. SUTTON, to me personally known, who, being by me duly sworn, says that he resides in New York City, New York; that he is a Vice-President of the GUARANTY TRUST COMPANY OF NEW YORK, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of the said corporation, and that he signed his name thereto by like authority.

[NOTARIAL SEAL.]	A. E. BURKE, Notary Public, New York County New York County Clerk's No. 356 New York Register's No. 10024 My commission expires Mar. 30, 1920.
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